

MARYLAND

Law	Title 9, Fuel Taxes; Title 10, Income Taxes; Title 7, Property Taxes.
Definitions	Gasoline: product used as fuel in a spark ignited internal combustion engine, including casinghead gasoline, absorption gasoline, and other natural gasoline. [Sec. 9-101(d), Tax. Gen.] Special fuel: fuel in a compression or spark ignited internal combustion engine; includes clean-burning fuel, but not including gasoline or electricity. [Sec. 9-101(g), Tax. Gen.] Clean-burning fuel: includes natural gas, liquefied natural gas, liquefied petroleum gas, hydrogen, electricity, or any other fuel at least 85% of which includes methanol, ethanol, any other alcohol, or ether. [Sec. 9-101, Tax. Gen.] Blend: does not include adding alcohol to gasoline. [Sec. 9-301(b), Tax Gen.]
Tax Rate	23.5¢ per gallon for gasoline 24.25¢ per gallon for special fuel 23.5¢ per gasoline-gallon-equivalent for clean-burning fuel except electricity [Sec. 9-305]
Tax Breaks	None.
Exemptions	None.
Gasohol	No specific references.
Special Provisions	None.
Income Tax	Credit available for taxable years 1995-1997 in amount equal to: 1) 40% of the federal deduction allowed for clean-fuel vehicle property installed on vehicle, up to a maximum of \$800; 2) 80% of the federal deduction allowed for purchase of clean-fuel truck or van with 5001-9999 GVW, up to a maximum of \$1600; or 3) 40% of the federal credit allowed for an electric vehicle, up to a maximum \$1600. Vehicles over 26,000 lbs. GVW are not

eligible. Credit only available for an IRC-qualified vehicle when taxpayer has exceeded federal and state rules on purchases or conversions. Carryover credit not allowed. Vehicles for which credits are taken must be titled and registered in Maryland. [Sec. 10-704.2, Administrative Release #28]

Property Tax

A phased-in property tax exemption is offered beginning in tax year 1998 for refueling equipment or machinery used to dispense clean-burning fuels into motor vehicles. The partial exemption starts at 20% in 1998, and increases in 20% increments each year until a full exemption is allowed in tax year 2002. [Sec. 7-236, Prop.Tax]